



Town of Johnstown

MEMORANDUM

TO: Honorable Mayor Gary Lebsack and Town Council

FROM: Matt LeCerf, Town Manager

CC: Marco Carani, Public Works Director

DATE: February 4, 2021

SUBJECT: Design Build Services/CMaR-Waiver of Bidding Process

The Town is currently in the process of completing the design for the Low Point Wastewater Treatment Plant. The equipment for the facility has been bid out separately from the construction component to ensure that the cost is controlled, an upcharge isn't added to the equipment purchase by the contractor, and most importantly we procure equipment that is dependable.

The work related to wastewater treatment plant construction is a very specialized field and there are a number of reliable and qualified contractors that the Town plans to consider selecting from to with work on a design build/CMaR (Construction Manager at Risk) for the expansion of the plant. The Town would solicit proposals from approximately 3-5 preferred contractors requesting information related to a partnership to work with our engineering firm to ensure a streamlined process for the final design of the wastewater treatment plant.

This same process has been performed for the sanitary sewer interceptor project along Highway 60 and the Town's Recreation Center. The contractor from the proposals provided would then be selected and they would work with us as we finalize design of the Low Point Wastewater expansion. After completion of design, the contractor would provide a Guarantee Maximum Price (GMP) for the project and the GMP would be compared against an independent cost estimate to ensure the price is fair and reasonable. Assuming the Town has had a positive experience during the design build/CMaR component and the price proposal by the contractor is less than the independent cost estimate, the Town Council would be presented with a contract to award the construction to the CMaR contractor. If the CMaR contractor is not the lower of the cost estimates and will not meet the low-cost estimate, we will formally bid the project. The Town's purchasing policy provides guidance regarding this method of construction planning

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under the sections shown below. Please consider this formal notification in compliance with the Town's Purchasing Policy. The CMaR component for the design partnership with the contractor will not exceed the design build limitations.

11. Exemptions from Public Bidding

b. Design Build Services. This policy shall not apply to design-build specialty services so long as the project does not exceed \$100,000. If less than \$100,000, the following evaluation criteria shall apply:

1. A guaranteed maximum price must be agreed upon and any savings shall revert back to the Town if the final project cost is less than the guaranteed maximum price.
2. The Town shall have the option at any time to validate proposed costs and fees of the professional who must disclose all information used to arrive at the proposed costs and fees.

d. Waiver of Bidding Process. Notwithstanding the provisions of this Policy, the Town may forego the bidding process altogether in certain specific instances that would be in the best interests of the Town provided that there is sufficient information and documentation to demonstrate that a waiver of the procedure would benefit the Town. Any deviations from the bidding process must have Town Manager approval, who shall then generate a report to the Town Council for the next Town Council meeting explaining the reasons for the waiver. It is intended that this process should be used infrequently and only when there is supporting information to demonstrate that the waiver would be in the best interests of the Town and not in any fashion compromise the integrity of the overall bidding policy of the Town.